

FLAT TOP INSURANCE AGENCY
P.O. Box 1439
Bluefield, WV 24701

MR FORM 5

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APR 14 1987

(Revised August 1985)
(Federal)

**DIVISION OF
OIL, GAS & MINING**

0025

Bond Number 029-900G029-2
Permit Number UT-0003 (OSM Reference No.)
Mine Name Skyline Project
Replaces Bond Number: 965382

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

THE MINED LANDS RECLAMATION ACT

BOND

The undersigned Coastal States Energy Company, for itself and in behalf of Skyline Coal Company, formerly Getty Mineral Company as principal, and The Travelers Indemnity Company as surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining, and the U. S. Department of the Interior, Office of Surface Mining in the penal sum of One Million Eight Hundred Fifty Thousand Five Hundred and no/100 dollars (\$1,850,500.00). Such sum shall be payable to one, but not both, of the above-named agencies.

The principal estimated in the Mining and Reclamation Plan filed with the Division of Oil, Gas and Mining on the _____ day of _____, 19____, that _____ acres of land will be disturbed by this mining operation in the State of Utah. A description of the disturbed land is attached hereto as Exhibit "A."

When the Division has determined that the principal has satisfactorily reclaimed the above-mentioned lands affected by mining in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect until the reclamation is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a piecemeal or cyclic basis, and the land is reclaimed in accordance with such plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area of the land affected or increased reclamation work, then this bond may accordingly be increased with the written approval of the surety company.

The Division shall only accept the bond of a surety company if the bond is noncancellable by the surety at any time for any reason including, but not limited to nonpayment of premium or bankruptcy of the permittee during the period of liability.

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officer.



COASTAL STATES ENERGY COMPANY, AND
SKYLINE COAL COMPANY, FORMERLY GETTY MINERAL COMPANY
Principal (Company)

By *David A. Arledge*
Company Officer - Position
David A. Arledge
Senior Vice President

Date: April 1, 1987

THE TRAVELERS INDEMNITY COMPANY
Surety (Company)

By *Ava Walker*
Surety Company Officer - Position
Ava Walker, Attorney-in-Fact

DATE: March 16, 1987

APPROVED AS TO FORM:

COUNTERSIGNED BY:

David A. Moulton

By Assistant Attorney General

Utah Resident Agent

AFFIDAVIT OF QUALIFICATION

Ava Walker, being first duly sworn, on oath deposes and says that he/she is the (officer or agent) agent of said Surety Company, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety Company is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations.

(Signed)

Ava Walker
Surety Company Officer - Position

Attorney-in-Fact

Subscribed and sworn to before me this 15th day of March, 1987.

Patricia P. Bell
Notary Public

My Commission Expires:

June 11, 1994.

